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HUMAN MIGRATION ISSUES AND THEIR ECONOMIC-POLITICAL IMPACTS

By

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A paper submitted to the Faculty of the Naval War College in competition for the
Jerome E. Levy Economic Geography and World Order Prize

The contents of this paper reflect my own personal views and are not necessarily
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Introduction

We study economics to determine those trends that make us better off or to ascertain why a certain negative phenomenon is occurring. The movement of people, whether for better jobs in a new location, or to flee a war or environmental catastrophe has a significant impact on economies throughout the world. The purpose of this paper is to study why people migrate, and from that, look at the positive and negative impacts that migration has on the international economy and on international security. To do this, I will study models that explain reasons for human migration. I will apply the common principles of those models to the various reasons for migration, specifically; free will migration, refugees, and displaced persons. I will examine the positive and negative issues concerning all forms of migration and the impact that each form of migration has upon economic and security conditions. Finally, I will examine certain environmental issues that force people to migrate.

Reasons for Migration

In 1885, E.G. Ravenstein submitted a much celebrated paper to the Royal Geographical Society in London. He argued what is known as the "Push-Pull" model, which implies that migrants are pushed out of one region and pulled into another.¹ Ravenstein's study implies that people generally desire to improve their condition, and therefore move to a new location that has the potential of improving their quality of life. It is the negative factors in the original location compared with the potential positive factors in the new location that precipitates movement. This model considers environmental factors, oppression or war, and comparative economic well-being.

In her paper on international migration for the World Bank, Susan Stanton Russell² uses a model proposed by Douglas S. Massey, called the macro theory.³ Massey states that

'geographic differences in the supply and demand for labor in origin and destination countries as the major factors driving individual migration decisions.⁴ Since this closely mirrors the Push-Pull effect described earlier in the Ravenstein Model, these will form the basis of the study on free will migration. As Stanton concludes in her discussion of migration models, all models of human migration have a degree of validity, and therefore can be useful in the study of migration.⁵ The key issue to take away with regard to models of migration is that people migrate to seek better conditions for themselves and their families. The Massey model does not examine a crucial aspect of forced migration for war or political reasons. However, he does make economic arguments for migration decisions that do correspond to the Ravenstein study of comparative well-being. Migrants in this category are termed free-will migrants. If people are pushed from a nation or state due to war, famine, or environmental reasons, we can still conclude that they are moving to seek better conditions, both in terms of quality of life and personal security. Migrants in this category are called refugees and they migrate for safe haven or asylum in another country. Refugees usually intend to eventually return to their homes when it is safe to do so. The Ravenstein model of human migration adequately explains the issue of refugees. But what of those refugees who flee a region for security reasons that have the full intention of returning to their previous homes but do not cross international boundaries? These refugees fall into a category that the United Nations High Commission for Refugees calls, displaced persons.⁶

A Bosnian Example

During the conflict in Bosnia-Herzegovina, hundreds of thousands of people were displaced from their homes. Thousands fled Bosnia altogether and moved to Central Europe to start new lives. Many of these people can be termed free will migrants because they left

Bosnia before they were ethnically cleansed, seeking a better life elsewhere. This group of migrants consisted mainly of educated, professional workers with marketable skills in other countries. Unfortunately for Bosnia, this condition created a "brain drain" since most migrants in this category will never return, thereby leaving a shortage of educated workers to rebuild the country. Other migrants fled Bosnia due to the war and many have since returned. Still, thousands more were internally displaced, and many of those internally displaced individuals had the full intention of one day returning to their homes. Displacement caused by ethnic cleansing became a major issue during proximity talks at Dayton in 1995.⁷ As a result, the General Framework Agreement for Peace (Dayton Agreement) contained an entire annex devoted to the repatriation of refugees and displaced persons.⁸ Former President of the Republika Srpska, Biljana Plavsic stated that the biggest tragedy of the Bosnian conflict with regard to refugees and displaced persons was that there is one less house than there are people needing one.⁹ The issue of displaced persons created a huge drain on financial resources during the implementation of the Dayton Agreement, and similar conditions create a significant destabilizing factor elsewhere in the world today. The number of internally displaced people worldwide is in excess of thirty million.¹⁰ The Bosnia case is a good example to illustrate the impact of various forms of migration since there was free will migration, cross-border refugees and internally displaced persons.

Positive Migration Issues

The World Resources Institute estimates that in 1990, there were approximately 120 million people living or working outside of their own country on their own free will.¹¹ Since 1990, that number has slightly increased. From this, one can deduce that a majority of these people are employed in some form or another, whether as a migrant worker or as a highly

paid professional. One cause of this increasingly larger number is the openness of borders throughout Europe, especially European Union Countries, and because the ease of travel from one region to another. Further, changing job markets and the shift to technology based industry could be driving this issue. Whether the individual migrating is a professional or a migrant worker, opening borders to allow migration can be beneficial to both the country gaining the migrant and the country losing the migrant. Why?

If an individual migrates to another country for employment, it is because the gaining country has employment opportunities that would accommodate the new immigrant. In this case, the worker contributes to the Gross Domestic Product (GDP) of the host nation. At the same time, the migrant frequently sends money to his/her family in the country from which he/she migrated for family support. Therefore, the migrant fills a need by taking employment in the gaining country while increasing opportunity through the transfer of personal wealth in his native country. In effect, the migrant is contributing to the Gross National Product (GNP) of his/her native country by seeking employment elsewhere.

The migration of individuals for the purpose of employment is actually a form of trade; the trade of human capital. In a global economy, the import and export of human capital can create a positive effect (negative effects will be discussed later). If we can assume that expatriate migrants have the intention of returning to their native country, the skills and education they learned will provide a benefit to his/her native country, especially since the employment opportunity that pulled the worker to a new location might not have been available in his/her native country. By taking the newly acquired skills home, the expatriate can be a catalyst toward creating new employment opportunities for others in that country, thus creating opportunity. In a global economy, the understanding of cultural

differences between countries is important to understand if one country intends to target another country for the trading of goods and services. Expatriate workers can enhance the cultural understanding of a target country thus enhancing greater understanding between cultures intent upon trading with one another. Again, both countries benefit.

In many of the developed countries, expatriate workers are frequently hired to do jobs that host nation native workers do not wish to take. Higher education levels, advanced skill levels of the native work force and the opportunity for native workers to seek employment in higher paying jobs opens the door to migrants to take the less skilled, lower paying jobs in the host nation. By taking jobs that do not require significant skill levels, immigrant workers thus create the opportunity for native workers to take jobs at a higher skill and wage level. This condition results in the creation of a higher standard of living for both sets of workers. An example of this condition occurs here in the United States. American workers are typically better educated and possess higher skill levels thus allowing for them to take higher paying jobs that match their skills. To fill vacancies in less skilled occupations, Mexican migrant workers and even illegal immigrants move to the U.S. and are sought after by employers. Yes, even the migrant workers benefit, since they were pushed from their native country and pulled to the host country due to greater employment opportunity, so their standard of living improves as well. This is especially true between the wealthy United States and the less wealthy Mexico.

As we can see, there are positive benefits to migration. By breaking down cultural barriers, allowing the transference of money through expatriate workers from country to country, and by creating conditions where host nation workers and immigrant workers can

improve their skill levels and quality of life, the trade in human capital becomes an inviting prospect. What of the negative aspects of free will migration?

Negative Factors affecting Free Will Migration

Xenophobia, the fear of foreigners poses the biggest negative issue facing people who immigrate by their own free will. According to a recent report by the European Union (EU), there is an alarming new rise in the number of racially and xenophobic related incidents and there is not a single EU country exempt from this alarming rise.¹² Not surprisingly, Germany leads the EU in the enlistment of members to right wing xenophobic extremist groups. In 1998, there were more than 53,000 members of right wing political organizations, which is an 11 percent increase over the previous year.¹³ Most of the violence that has occurred against foreign workers took place in the new federal states of Eastern Germany.¹⁴ From this alarming information, one could deduce that the level of violence against foreigners in Germany results from the relatively poor economic conditions in that part of the country. A second possible cause for recent European xenophobia stems from the opening of borders between EU member states which has the unintended effect of allowing migrant workers to more freely move from country to country. If migrant workers are competing for scarce jobs with host nation workers, problems are bound to result. In applying push-pull models to the negative issues of migration, immigrants may well be subjected to a push-push situation, which would not be an enjoyable consequence to fall under. When free-will migration begins to affect the ability of native workers to hold jobs, immigrant workers could become displaced persons within their host nation, most likely at host nation expense in terms of increased crime, welfare payments and security and safety of the migrants.

Refugees

On 3 May 2002, the United Nations High Commission for Refugees (UNHCR) listed 21,793,000 persons under their protection and nearly double that figure in peoples of concern.¹⁵ In 1995, the UNHCR estimated there were Fourteen Million refugees and an additional Eleven Million persons of concern.¹⁶ The increase in the number of refugees in only eight years is significant in terms of scope. As migrants, refugees normally flee their home country from such events as war, government persecution, human rights abuses, flood, famine, environmental disaster, or economic collapse. To help fund the "management" of refugees, the initial contribution to the UNHCR by the United States in 2002 is \$125 Million.¹⁷ Though the UNHCR is responsible for the tracking and negotiating of refugee returns, it is normally the host nation that bears the burden of hosting them. Because of this, there is little or no transparency into the cost of haven for refugees. According to the World Bank, the Kosovo crisis is significantly affecting the economies of neighboring states in the following ways:

- Albania and Macedonia incurred significant costs by providing immediate relief to refugees;
- The economies of Bosnia and Macedonia were affected and Bulgaria and Romania were forced to seek new trade routes;
- The refugee crisis in the region threatened foreign investment in areas bordering Kosovo, and;
- The crisis could potentially postpone the economic recovery in this already struggling region.¹⁸

Though no actual monetary figures are provided in the World Bank Report, the disruption in trade, economic development and foreign investment to the region are potentially crippling in this already unstable part of the world. Of note during the Kosovo crisis, both Albania and Macedonia suffered from funding "immediate" relief efforts. These efforts nearly crippled the Macedonian government.¹⁹ Fallout from the economic woes stemming from the refugee crisis was a significant rise in Pro-Serbian nationalism throughout Macedonia during this period.²⁰ As the United States launches into the similar process of repatriating refugees of the Afghan conflict, similar challenges will result in terms of cost, nationalism and economic instability. The issue of dealing with refugees creates an economic drain on host nations, and the international community. In applying the push-pull model of migration to the refugee model, the refugee is pushed from his/her native country and pulled to the nation granting asylum. However, the pull is frequently temporary and the refugee is once again pushed back to his/her own nation, for better or for worse. The economic issue regarding the disposition of refugees is always negative and security concerns dealing with the protection of refugees is frequently a regional, if not global destabilizing event. The UNHCR has no mandate for the protection of internally displaced persons (IDPs).

Displaced Persons – Of Great Concern to the UN High Commission for Refugees

Of great concern as a destabilizing factor to governments and economies is the number of internally displaced persons, which the UNHCR estimates as "Certainly higher than the total number of refugees worldwide."²¹ Persons who are internally displaced within a country are a form of refugee that does not enjoy the status of a refugee which as defined by the UNHCR is a person seeking asylum in another country.²² Internally displaced persons are the responsibility of their own governments and consequently, do not enjoy the rights

normally granted to a UN registered refugee. There are significant numbers of displaced persons on virtually every continent, and the cost to deal with those persons must create a tremendous drain on local and national economies that face this problem in any great quantity. Because internally displaced persons fall under the responsibility of their own government, statistics are seldom accurate. More importantly, IDPs may not enjoy the rights that are normally granted to refugees which may create a potentially serious security issue. However, when applying the same issues that the World Bank applied to the Kosovo refugee crisis, it is apparent that IDPs create a tremendous economic and security burden. IDPs are pushed from their home for a variety of reasons and pulled to any safe haven within their own borders that will harbor them often without regard for their safety or security.

Environmental factors leading to migration

One of the underlying factors leading to the migration of people from one region to another is the environment and environmental catastrophe. The planet is populated on every land, except Antarctica. Though the rate of human population growth is slowing, it is estimated that the human population of planet Earth will exceed eight billion by the year 2015. Areas of the earth that are experiencing the highest rates of population growth are in underdeveloped regions where resources including water and topsoil are scarce. When population densities exceed the carrying capacity of the land, two events occur. The first is a dying off of a portion of the population until the population level falls below the carrying capacity, and second is the mass migration of people to areas that will support them. Since CNN is quick to arrive on the scene where starvation is endemic, the international community often takes quick action by providing the starving population with food and in some cases, moving those persons to locations more accommodating. In effect, human

intervention is affecting what might be a natural process. During the crisis in Somalia in the 1980's and 1990's, starving populations were kept from migrating to a more plentiful region through coercive actions by Somali Warlords. Had the affected groups been allowed to migrate to a region where food supplies were more plentiful, there would probably have been far fewer cases of starvation. In applying the model, the push-pull in Somalia was interdicted by coercive forces that prevented mass movements to more secure areas. But the factors that led to mass starvation in the first place were initially not the paramilitary forces or bandits that controlled food supplies.

The environmental condition that led to the catastrophe in Somalia was the desertification of the Somali-Chalbi region of sub-Saharan Africa. Dr. Daniel Chiras claims that poor agricultural practices in the region, coupled with long periods of drought and populations that exceeded the carrying capacity of the land led to the depletion of topsoil needed to cultivate crops. Regional desertification pushed inhabitants to more fertile regions of Somalia. The follow-on consequences of the mass migration from the Somali-Chalbi region created friction between the migrants and indigenous farmers for already scarce resources.²³ Eventually, competition for scarce resources led to violence, coercion of masses of people and a humanitarian crisis of epic proportions, leading to U.S. military involvement and the dissolution of a nation.

In applying the push-pull model to this case, migrants were pushed from an area that was depleted of its resources and greatly exceeded its carrying capacity for the population inhabiting the region. The starving migrants were pulled to a region where food supply and carrying capacity had not yet been exceeded as in previous applications of the model. Mass migration to a new region created friction between indigenous inhabitants and the newly

arrived migrants. Soon thereafter, both groups had no place to migrate and a famine ensued. Having no place to go, the migrants were not pushed from the depleted land and they were starved. The matter was further complicated in Somalia by warlord who wrested control of humanitarian relief supplies. This case resulted in the worst case scenario in terms of mass movements of people for the following reasons:

- Carrying capacity was exceeded in the Somali-Chalbi region;
- Carrying capacity was exceeded in the secondary location and occupants had nowhere to flee;
- Warlords interrupted the flow of humanitarian supplies, thus worsening the crisis.

This type of crisis will soon be repeated in other parts of the world. Though the initiation causes might be different, there are numerous environmental issues looming that will again result in mass migration. A crisis to watch here in the United States will result from increasingly scarce water resources in the American West....Stay Tuned!

Conclusion

This paper examined models that best define why people migrate. Both models examined indicate that migration is caused by the want of a better life or economic prosperity. In essence, migrants are pushed from one region or county and pulled to a new place in the hope of better existence. Free will migration is very similar to trade of goods and services between nations. The benefits of free will migration include:

- Increased cultural understanding which potentially facilitates trade of goods and services;

- The potential for migrants to improve the standard of living in their native lands by sending funds home;
- Migrants fill the employment needs of host nation employers and give host nation citizens the opportunity to gain higher level skills thus increasing the quality of life of both the migrant and native workers.

Xenophobia is the greatest negative factor affecting free will migration. We should pay particular attention to Xenophobia in Europe in the coming years as multi-cultural forces move in to areas of traditional ethnic homogeneity. A second factor causing xenophobia is when migrants compete with indigenous workers for employment.

The drain on regional and national economies created by the harboring of refugees has profound effects on economic stability and security. At present, the UNHCR is the only global agency with the charter of tracking refugee status. They have no mandate to track the disposition of Internally Displaced persons. IDPs are greater in number than the total number of refugees worldwide.

Environmental issues that push people to migrate, include desertification and depletion of resources. Crisis ensues when human factors inhibit the natural tendency of migrants to leave depleted areas.

In all cases, the push-pull model of human migration is valid. There are definite positive reasons to allow migration and there are definite negative impacts created from the flow of people.

Endnotes

¹ Roger M. Downs. The National Geographic Desk Reference. (Washington, D.C: Stonesong Press, 1999) 269

² Susan Stanton Russell. International Migration: Implications for the World Bank.

³ Ibid. The source of Russell's model is derived from the study reported in Douglas S. Massey et al, "Theories of International Migration: A Review and Appraisal" in Population and Development Review. Vol. 19 No. 3, September 1993 pp. 431-466

⁴ Russell. 4

⁵ Russell. 5

⁶ UNHCR Basic Facts Page. At <http://www.unhcr.ch/cgi-bin/texis/vtx/home?page=basics>

⁷ Authors experience as a staff officer present at Dayton, Ohio during the proximity talks in Autumn, 1995

⁸ General Framework Agreement for Peace. Annex 7.

⁹ Conversation with Biljana Plavsic, summer 1997.

¹⁰ World Resources Institute. Population and Human Well Being: International Migration. 2 May 2002 at <http://www.igc.org>

¹¹ Op Cit. World Resources Institute

¹² Lucas Adler. European Union annual report: Signs of Growing Racism and Xenophobia. 23 February 2000. At World Socialist Web site www.wsws.rog/articles/2000/feb2000/raci-f23_prn.shtml

¹³ Ibid.

¹⁴ Ibid.

¹⁵ UNHCR Basic Facts Page. At <http://www.unhcr.ch/cgi-bin/texis/vtx/home?page=basics>

¹⁶ United Nations High Commission for Refugees. The State of the World's Refugees 1995: In Search of Solutions. (New York: Oxford University Press, 1995)20

¹⁷ U.S. Department of State press statement of February 20, 2002.

¹⁸ The World Bank. The Role of the World Bank in the Kosovo Crisis. 2 May 2002 At <http://www.worldbank.org.ba/news/1999/ar-apr99-01.htm>

¹⁹ Ibid.

²⁰ Authors travel to Kosovo, Macedonia and Albania in June 1998.

²¹ UNHCR Basic Facts Page.

²² Ibid.

²³ Daniel D. Chiras. Environmental Science: Action for a Sustainable Future 3rd edition. (Redwood City, CA: The Benjamin/Cummings Publishing Company, 1991) 146-148

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